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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2956

03/22/2012 Authored by Paymar  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to the legislature; imposing a moratorium on enactment of new tax  
1.3 credits; proposing coding for new law in Minnesota Statutes, chapter 3.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **[3.193] TAX CREDIT MORATORIUM.**

1.6 (a) The legislature shall not enact a new credit against any state tax or expand the  
1.7 provision of an existing tax credit, unless it also repeals or modifies an existing tax credit  
1.8 in a manner that results in no change in state tax revenues. For purposes of this section,  
1.9 a tax credit includes any provision of law that is deducted from the liability for tax,  
1.10 regardless of whether the amount is limited to the liability for tax or is refundable. This  
1.11 section does not apply to enactment of a modification of an existing tax credit to conform  
1.12 to changes in a federal tax credit upon which the state credit is based.

1.13 (b) Any credit enacted or expanded in violation of this section is void.

1.14 (c) This section expires on .....

1.15 **EFFECTIVE DATE.** This section is effective the day following final enactment  
1.16 and applies to tax credits enacted after that date.